

Unified School District No. 397  
Lost Springs, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

CLUBINE AND RETTELE, CHARTERED  
CERTIFIED PUBLIC ACCOUNTANTS  
Salina, Kansas

Unified School District No. 397  
Lost Springs, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	1
STATEMENT 1 Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis	2
STATEMENT 2 Summary of Expenditures, Actual and Budget - Statutory Basis	3
STATEMENT 3 Statement of Cash Receipts and Expenditures - Actual and Budget	
General Fund	4
Supplemental General Fund	5
STATEMENT 3 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis	
At - Risk (K-12) Fund	6
Capital Outlay Fund	7
Driver Training Fund	8
Food Service Fund	9
Professional Development Fund	10
Summer School Fund	11

Unified School District No. 397  
Lost Springs, Kansas

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For the Fiscal Year Ended June 30, 2012

	<u>Page Number</u>
Special Education Fund	12
Vocational Education Fund	13
KPERS Retirement Contribution Fund	14
Virtual Education Fund	15
Student Material Fund	16
Title I Fund	16
Title I ARRA Fund	17
Title II-A Fund	17
Title II-D Fund	18
Title II-D ARRA Fund	18
Title IV-A Fund	19
Federal Reap Grant Fund	19
Contingency Reserve Fund	20
Bond and Interest Fund	21
Mowrer Scholarship/Student Scholarship Fund	22
Gifts and Grants Fund	22
 STATEMENT 4	
Statement of Cash Receipts and Cash Disbursements - Statutory Basis	
 Agency Funds	23
 STATEMENT 5	
Statement of Cash Receipts, Expenditures and Unencumbered Cash - Statutory Basis	
 District Activity Funds	24
 NOTES TO FINANCIAL STATEMENTS	25-32

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District No. 397  
Lost Springs, Kansas

We have audited the accompanying financial statements of Unified School District No. 397, as of and for the fiscal year ended June 30, 2012, which collectively comprise the basic financial statements of Unified School District No. 397 as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 397 management. Our responsibility is to express opinions on these financial statements based on our audit. The prior partial prior-year comparative information has been derived from Unified School District No. 397 financial statements and, in our report dated January 16, 2012, we expressed an unqualified opinion on the respective financial statements which were prepared using accounting practices prescribed or permitted by the State of Kansas.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide* prescribed by the Division of Accounts and Reports of the State of Kansas. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, Unified School District No. 397 has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 397 as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, Unified School District No. 397 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Unified School District No. 397 as of June 30, 2012, and their respective cash receipts and disbursements, and the respective budgetary comparison for the General Funds and budgeted Special Revenue Funds for the fiscal year then ended, on the basis of accounting described in Note 2.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 397 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

Clubine and Rettele, Chartered

Salina, Kansas  
September 24, 2012

## UNIFIED SCHOOL DISTRICT NO. 397

Statement 1

Lost Springs, Kansas

Summary of Cash Receipts, Expenditures and Unencumbered Cash - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Governmental Type Funds:						
General Funds						
* General	\$ (172,644.73)	\$ 2,604,186.74	\$ 2,551,877.53	\$ (120,335.52)	\$ 31,503.52	\$ (88,832.00)
* Supplemental General	16,723.10	520,078.37	522,000.00	14,801.47	22,864.29	37,665.76
Special Revenue Funds						
At - Risk (K-12)	15,000.00	169,376.18	169,376.18	15,000.00	35.98	15,035.98
Capital Outlay	424,807.41	89,899.01	159,184.27	355,522.15	56,165.51	411,687.66
Driver Training	12,060.33	3,410.00	3,590.24	11,880.09	-	11,880.09
Food Service	48,488.99	180,449.40	179,954.80	48,983.59	20,832.78	69,816.37
Professional Development	43,682.66	30,000.00	32,366.74	41,315.92	5,663.46	46,979.38
Summer School	7,233.75	-	7,233.75	-	-	-
Special Education	218,347.12	486,529.40	480,672.28	224,204.24	-	224,204.24
Vocational Education	30,000.00	137,830.16	137,830.16	30,000.00	10,906.02	40,906.02
KPERS Retirement Contribution	-	155,135.50	155,135.50	-	-	-
Virtual Education	78,647.26	266,036.95	252,919.18	91,765.03	182.00	91,947.03
Student Material	47,003.84	11,331.64	3,732.13	54,603.35	-	54,603.35
Title I	-	44,538.00	44,538.00	-	-	-
Title II-A	-	10,764.00	10,764.00	-	-	-
Federal Reap Grant	-	24,267.00	24,267.00	-	-	-
Contingency Reserve	181,968.80	-	-	181,968.80	-	181,968.80
District Activity Funds	17,568.85	33,214.72	35,755.18	15,028.39	-	15,028.39
Debt Service Funds						
Bond and Interest	205,286.54	80,595.05	70,963.53	214,918.06	-	214,918.06
Fiduciary Type Funds:						
Mowrer Scholarship /Student						
Scholarships	305,453.95	16,950.88	15,845.30	306,559.53	-	306,559.53
Gifts and Grants	1,941.58	4,515.00	3,573.72	2,882.86	-	2,882.86
Total Reporting Entity						
(Excluding Agency Funds)	<u>\$ 1,481,569.45</u>	<u>\$ 4,869,108.00</u>	<u>\$ 4,861,579.49</u>	<u>\$1,489,097.96</u>	<u>\$ 148,153.56</u>	<u>\$ 1,637,251.52</u>

## Composition of Cash:

Checking Accounts	\$ 1,170,297.06
Certificates of Deposit	503,272.99
Total Cash	1,673,570.05
Agency Funds per Statement 4	(36,318.53)
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,637,251.52</u>

\* General Funds presented per Kansas Municipal Audit Guide. For statutory basis presentation of these funds see Note #10.

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 397  
Lost Springs, Kansas  
Summary of Expenditures, Actual and Budget - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Statement 2

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds:						
General Funds						
* General	\$ 2,706,102.00	\$ (156,114.00)	\$ 1,889.53	\$ 2,551,877.53	\$ 2,551,877.53	\$ -
* Supplemental General	522,000.00	-	-	522,000.00	522,000.00	-
Special Revenue Funds						
At - Risk (K-12)	172,000.00	-	-	172,000.00	169,376.18	(2,623.82)
Capital Outlay	380,000.00	-	-	380,000.00	159,184.27	(220,815.73)
Driver Training	10,500.00	-	-	10,500.00	3,590.24	(6,909.76)
Food Service	200,000.00	-	-	200,000.00	179,954.80	(20,045.20)
Professional Development	38,000.00	-	-	38,000.00	32,366.74	(5,633.26)
Summer School	7,234.00	-	-	7,234.00	7,233.75	(0.25)
Special Education	585,000.00	-	-	585,000.00	480,672.28	(104,327.72)
Vocational Education	148,600.00	-	-	148,600.00	137,830.16	(10,769.84)
KPERS Retirement Contribution	192,772.00	-	-	192,772.00	155,135.50	(37,636.50)
Virtual Education	557,470.00	-	-	557,470.00	252,919.18	(304,550.82)
Debt Service Funds						
Bond and Interest	71,064.00	-	-	71,064.00	70,963.53	(100.47)

The notes to the financial statements are an integral part of this statement.

## Lost Springs, Kansas

## General Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem	\$ 351,075.75	\$ 355,680.87	\$ 340,160.00	\$ 15,520.87
Delinquent	3,991.28	3,339.20	4,850.00	(1,510.80)
Other Taxes	1,047.24	-	-	-
State Aid - General	1,632,332.00	1,897,506.00	1,986,312.00	(88,806.00)
State Aid - Mineral Production Tax	-	1,014.14	-	1,014.14
State Aid - Special Education Services	292,718.00	343,686.00	374,780.00	(31,094.00)
Federal Aid - General ARRA Stabilization	40,446.00	-	-	-
Other Sources	74,267.34	2,960.53	-	2,960.53
Total Cash Receipts	<u>2,395,877.61</u>	<u>2,604,186.74</u>	<u>\$ 2,706,102.00</u>	<u>\$ (101,915.26)</u>
Expenditures				
Instruction	866,092.75	806,231.00	\$ 867,902.00	\$ (61,671.00)
Student Support Services	57,142.09	68,258.58	65,100.00	3,158.58
Instructional Support Staff	60,384.30	53,164.47	67,650.00	(14,485.53)
General Administration	123,021.60	132,318.85	128,900.00	3,418.85
School Administration	123,965.94	128,643.98	128,350.00	293.98
Operations and Maintenance	236,987.42	301,181.39	214,475.00	86,706.39
Transportation Services	167,039.88	177,323.18	175,225.00	2,098.18
Other Supplemental Services	52,435.23	53,005.59	51,350.00	1,655.59
Operating Transfers	665,980.13	831,750.49	1,007,150.00	(175,399.51)
Adjustment to Comply with Legal Max	-	-	(156,114.00)	156,114.00
Legal General Fund Budget	2,353,049.34	2,551,877.53	2,549,988.00	1,889.53
Adjustment for Qualifying Budget Credits	-	-	1,889.53	(1,889.53)
Total Expenditures	<u>2,353,049.34</u>	<u>2,551,877.53</u>	<u>\$ 2,551,877.53</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	42,828.27	52,309.21		
Unencumbered Cash, Beginning	<u>(215,473.00)</u>	<u>(172,644.73)</u>		
Unencumbered Cash, Ending	<u>\$ (172,644.73)</u>	<u>\$ (120,335.52)</u>		

## UNIFIED SCHOOL DISTRICT NO. 397

## Statement 3

Lost Springs, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures, Actual and Budget

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem	\$ 332,571.40	\$ 367,133.44	\$ 367,122.00	\$ 11.44
Delinquent	5,234.44	3,904.84	4,618.00	(713.16)
Motor Vehicle and 16/20M	30,408.68	9,285.00	30,330.00	(21,045.00)
Recreational Vehicle	444.62	467.09	379.00	88.09
State Aid	122,679.00	139,288.00	136,000.00	3,288.00
Total Cash Receipts	<u>491,338.14</u>	<u>520,078.37</u>	<u>\$ 538,449.00</u>	<u>\$ (18,370.63)</u>
Expenditures				
Instruction	80,048.08	79,465.99	\$ 129,500.00	\$ (50,034.01)
Instructional Support Staff	7,618.30	17,062.71	-	17,062.71
General Administration	297.83	1,363.42	-	1,363.42
School Administration	4,497.89	5,443.84	-	5,443.84
Operations and Maintenance	81,795.81	64,994.73	123,000.00	(58,005.27)
Transportation Services	-	75,179.00	-	75,179.00
Community Service Operations	1,053.10	1,160.59	3,000.00	(1,839.41)
Operating Transfers	<u>283,438.99</u>	<u>277,329.72</u>	<u>266,500.00</u>	<u>10,829.72</u>
Total Expenditures	<u>458,750.00</u>	<u>522,000.00</u>	<u>\$ 522,000.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	32,588.14	(1,921.63)		
Unencumbered Cash, Beginning	<u>(15,865.04)</u>	<u>16,723.10</u>		
Unencumbered Cash, Ending	<u>\$ 16,723.10</u>	<u>\$ 14,801.47</u>		

The notes to the financial statements are an integral part of this statement.



## UNIFIED SCHOOL DISTRICT NO. 397

Statement 3

Lost Springs, Kansas

At - Risk (K-12) Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 157,688.73	\$ 169,376.18	<u>\$ 160,000.00</u>	<u>\$ 9,376.18</u>
Expenditures				
Instruction	<u>157,688.73</u>	<u>169,376.18</u>	<u>\$ 172,000.00</u>	<u>\$ (2,623.82)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>15,000.00</u>	<u>15,000.00</u>		
Unencumbered Cash, Ending	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>		

The notes to the financial statements are an integral part of this statement.

Lost Springs, Kansas

Capital Outlay Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem	\$ 75,707.53	\$ 76,363.64	\$ 74,138.00	\$ 2,225.64
Delinquent	1,221.42	903.18	1,051.00	(147.82)
Motor Vehicle and 16/20M	7,020.14	6,929.31	6,970.00	(40.69)
Recreational Vehicle	102.59	107.57	88.00	19.57
Interest	6,970.47	4,253.60	-	4,253.60
Other Sources	-	1,341.71	-	1,341.71
Total Cash Receipts	<u>91,022.15</u>	<u>89,899.01</u>	<u>\$ 82,247.00</u>	<u>\$ 7,652.01</u>
Expenditures				
Instruction	118,864.68	47,364.05	\$ 75,000.00	\$ (27,635.95)
Student Support Services	-	149.99	5,000.00	(4,850.01)
Instructional Support Staff	688.88	-	5,000.00	(5,000.00)
General Administration	-	-	5,000.00	(5,000.00)
School Administration	293.83	3,355.70	5,000.00	(1,644.30)
Central Services	-	-	5,000.00	(5,000.00)
Operations and Maintenance	20,860.34	51,457.13	75,000.00	(23,542.87)
Transportation	-	(4,264.24)	85,000.00	(89,264.24)
Land Improvement	2,343.75	-	-	-
Site Improvement	6,314.95	41,788.00	50,000.00	(8,212.00)
Building Improvements	23,554.24	19,333.64	70,000.00	(50,666.36)
Other	89.25	-	-	-
Total Expenditures	<u>173,009.92</u>	<u>159,184.27</u>	<u>\$ 380,000.00</u>	<u>\$ (220,815.73)</u>
Receipts Over (Under) Expenditures	(81,987.77)	(69,285.26)		
Unencumbered Cash, Beginning	<u>506,795.18</u>	<u>424,807.41</u>		
Unencumbered Cash, Ending	<u>\$ 424,807.41</u>	<u>\$ 355,522.15</u>		

Lost Springs, Kansas

Driver Training Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 1,036.00	\$ 1,410.00	\$ 1,184.00	\$ 226.00
Other	2,209.50	2,000.00	1,600.00	400.00
Total Cash Receipts	<u>3,245.50</u>	<u>3,410.00</u>	<u>\$ 2,784.00</u>	<u>\$ 626.00</u>
Expenditures				
Instruction	2,858.06	2,988.24	\$ 8,550.00	\$ (5,561.76)
Instructional Support Staff	-	-	100.00	(100.00)
Vehicle Operations and Maintenance	413.00	602.00	1,850.00	(1,248.00)
Total Expenditures	<u>3,271.06</u>	<u>3,590.24</u>	<u>\$ 10,500.00</u>	<u>\$ (6,909.76)</u>
Receipts Over (Under) Expenditures	(25.56)	(180.24)		
Unencumbered Cash, Beginning	<u>12,085.89</u>	<u>12,060.33</u>		
Unencumbered Cash, Ending	<u>\$ 12,060.33</u>	<u>\$ 11,880.09</u>		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

## Statement 3

Lost Springs, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 78,785.96	\$ 83,916.83	\$ 80,803.00	\$ 3,113.83
State Aid	1,557.27	1,611.17	1,297.00	314.17
Food Service Receipts	57,060.52	59,421.40	63,767.00	(4,345.60)
Operating Transfers	30,000.00	35,500.00	20,000.00	15,500.00
Total Cash Receipts	<u>167,403.75</u>	<u>180,449.40</u>	<u>\$ 165,867.00</u>	<u>\$ 14,582.40</u>
Expenditures				
Operations and Maintenance	6,364.00	7,353.00	\$ 6,800.00	\$ 553.00
Food Service Operation	160,563.38	172,601.80	193,200.00	(20,598.20)
Total Expenditures	<u>166,927.38</u>	<u>179,954.80</u>	<u>\$ 200,000.00</u>	<u>\$ (20,045.20)</u>
Receipts Over (Under) Expenditures	476.37	494.60		
Unencumbered Cash, Beginning	<u>48,012.62</u>	<u>48,488.99</u>		
Unencumbered Cash, Ending	<u>\$ 48,488.99</u>	<u>\$ 48,983.59</u>		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

## Statement 3

Lost Springs, Kansas

Professional Development Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 20,000.00	\$ 30,000.00	\$ -	\$ 30,000.00
Expenditures				
Instruction	3,715.84	4,703.32	\$ -	\$ 4,703.32
Instructional Support Staff	16,469.33	27,663.42	38,000.00	(10,336.58)
Total Expenditures	20,185.17	32,366.74	\$ 38,000.00	\$ (5,633.26)
Receipts Over (Under) Expenditures	(185.17)	(2,366.74)		
Unencumbered Cash, Beginning	43,867.83	43,682.66		
Unencumbered Cash, Ending	\$ 43,682.66	\$ 41,315.92		

The notes to the financial statements are an integral part of this statement.

Lost Springs, Kansas

Summer School Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ -	\$ -	\$ -	\$ -
Expenditures				
Other	<u>4,250.00</u>	<u>7,233.75</u>	<u>\$ 7,234.00</u>	<u>\$ (0.25)</u>
Receipts Over (Under) Expenditures	(4,250.00)	(7,233.75)		
Unencumbered Cash, Beginning	<u>11,483.75</u>	<u>7,233.75</u>		
Unencumbered Cash, Ending	<u>\$ 7,233.75</u>	<u>\$ -</u>		

Lost Springs, Kansas

Special Education Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Other Sources	\$ 7,210.79	\$ 15,467.48	\$ -	\$ 15,467.48
Operating Transfers	417,718.00	471,061.92	484,780.00	(13,718.08)
Total Cash Receipts	<u>424,928.79</u>	<u>486,529.40</u>	<u>\$ 484,780.00</u>	<u>\$ 1,749.40</u>
Expenditures				
Instruction	396,914.00	456,709.00	\$ 545,500.00	\$ (88,791.00)
Vehicle Operating Service	24,497.64	23,963.28	39,500.00	(15,536.72)
Total Expenditures	<u>421,411.64</u>	<u>480,672.28</u>	<u>\$ 585,000.00</u>	<u>\$ (104,327.72)</u>
Receipts Over (Under) Expenditures	3,517.15	5,857.12		
Unencumbered Cash, Beginning	<u>214,829.97</u>	<u>218,347.12</u>		
Unencumbered Cash, Ending	<u>\$ 218,347.12</u>	<u>\$ 224,204.24</u>		

The notes to the financial statements are an integral part of this statement.

Lost Springs, Kansas

Vocational Education Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Interest	\$ -	\$ -	\$ 2,500.00	\$ (2,500.00)
Operating Transfers	140,201.81	137,830.16	120,000.00	17,830.16
Total Cash Receipts	<u>140,201.81</u>	<u>137,830.16</u>	<u>\$ 122,500.00</u>	<u>\$ 15,330.16</u>
Expenditures				
Instruction	135,201.81	137,830.16	\$ 147,600.00	\$ (9,769.84)
Student Support Services	-	-	1,000.00	(1,000.00)
Total Expenditures	<u>135,201.81</u>	<u>137,830.16</u>	<u>\$ 148,600.00</u>	<u>\$ (10,769.84)</u>
Receipts Over (Under) Expenditures	5,000.00	-		
Unencumbered Cash, Beginning	<u>25,000.00</u>	<u>30,000.00</u>		
Unencumbered Cash, Ending	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>		

The notes to the financial statements are an integral part of this statement.



## UNIFIED SCHOOL DISTRICT NO. 397

Statement 3

Lost Springs, Kansas

KPERS Retirement Contribution Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 96,385.71	\$ 155,135.50	\$ 192,772.00	\$ (37,636.50)
Expenditures				
Employee Benefits	96,385.71	155,135.50	\$ 192,772.00	\$ (37,636.50)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

## Statement 3

Lost Springs, Kansas

Virtual Education

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Tuition	\$ -	\$ 605.00	\$ -	\$ 605.00
Other Sources	-	120.00	-	120.00
Operating Transfers	183,810.58	265,311.95	488,870.00	(223,558.05)
Total Cash Receipts	183,810.58	266,036.95	\$ 488,870.00	\$ (222,833.05)
Expenditures				
Instruction	77,952.17	249,663.42	\$ 529,970.00	\$ (280,306.58)
Student Support Services	27,211.15	280.00	-	280.00
School Administration	-	2,975.76	27,500.00	(24,524.24)
Total Expenditures	105,163.32	252,919.18	\$ 557,470.00	\$ (304,550.82)
Receipts Over (Under) Expenditures	78,647.26	13,117.77		
Unencumbered Cash, Beginning	-	78,647.26		
Unencumbered Cash, Ending	\$ 78,647.26	\$ 91,765.03		

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 397  
 Lost Springs, Kansas  
 Student Material Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts		
Student Fees	\$ 8,004.76	\$ 11,331.64
Expenditures		
Materials and Supplies	<u>4,335.26</u>	<u>3,732.13</u>
Receipts Over (Under) Expenditures	3,669.50	7,599.51
Unencumbered Cash, Beginning	<u>43,334.34</u>	<u>47,003.84</u>
Unencumbered Cash, Ending	<u>\$ 47,003.84</u>	<u>\$ 54,603.35</u>

Title I Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 39,701.00	\$ 44,538.00
Expenditures		
Instruction	<u>39,701.00</u>	<u>44,538.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

Statement 3

Lost Springs, Kansas

Title I ARRA Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 7,182.00	\$ -
Expenditures		
Instruction	7,181.94	-
Receipts Over (Under) Expenditures	0.06	-
Unencumbered Cash, Beginning	(0.06)	-
Unencumbered Cash, Ending	\$ -	\$ -

## Title II-A Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 12,451.00	\$ 10,764.00
Expenditures		
Instruction	12,451.00	10,764.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

## Statement 3

Lost Springs, Kansas

Title II-D Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 134.00	\$ -
Expenditures		
Instruction	134.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Title II-D ARRA Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 799.00	\$ -
Expenditures		
Instruction	799.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

Statement 3

Lost Springs, Kansas

Title IV-A Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 812.00	\$ -
Expenditures		
Instructional Support Staff	812.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Federal Reap Grant Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 23,632.00	\$ 24,267.00
Expenditures		
Instruction	23,632.00	24,267.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 397  
 Lost Springs, Kansas  
 Contingency Reserve Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>181,968.80</u>	<u>181,968.80</u>
Unencumbered Cash, Ending	<u>\$ 181,968.80</u>	<u>\$ 181,968.80</u>

The notes to the financial statements are an integral part of this statement.

Lost Springs, Kansas

Bond and Interest Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem	\$ 73,912.55	\$ 63,950.91	\$ 62,007.00	\$ 1,943.91
Delinquent	1,247.27	911.72	1,024.00	(112.28)
Motor Vehicle and 16/20M	7,191.52	7,106.01	7,101.00	5.01
Recreational Vehicle	105.02	110.41	89.00	21.41
State Aid	6,996.00	8,516.00	8,516.00	-
Total Cash Receipts	<u>89,452.36</u>	<u>80,595.05</u>	<u>\$ 78,737.00</u>	<u>\$ 1,858.05</u>
Expenditures				
Principal	50,000.00	60,000.00	\$ 60,000.00	\$ -
Interest	27,717.50	10,963.53	10,964.00	(0.47)
Commission and Postage	2.50	-	100.00	(100.00)
Total Expenditures	<u>77,720.00</u>	<u>70,963.53</u>	<u>\$ 71,064.00</u>	<u>\$ (100.47)</u>
Receipts Over (Under) Expenditures	11,732.36	9,631.52		
Unencumbered Cash, Beginning	<u>193,554.18</u>	<u>205,286.54</u>		
Unencumbered Cash, Ending	<u>\$ 205,286.54</u>	<u>\$ 214,918.06</u>		

The notes to the financial statements are an integral part of this statement.



UNIFIED SCHOOL DISTRICT NO. 397  
 Lost Springs, Kansas  
 Mowrer Scholarship/Student Scholarship Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ 19,078.94	\$ 16,950.88
Expenditures	<u>13,609.90</u>	<u>15,845.30</u>
Receipts Over (Under) Expenditures	5,469.04	1,105.58
Unencumbered Cash, Beginning	<u>299,984.91</u>	<u>305,453.95</u>
Unencumbered Cash, Ending	<u>\$ 305,453.95</u>	<u>\$ 306,559.53</u>

Gifts and Grants Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ 4,898.31	\$ 4,515.00
Expenditures	<u>2,956.73</u>	<u>3,573.72</u>
Receipts Over (Under) Expenditures	1,941.58	941.28
Unencumbered Cash, Beginning	<u>-</u>	<u>1,941.58</u>
Unencumbered Cash, Ending	<u>\$ 1,941.58</u>	<u>\$ 2,882.86</u>

The notes to the financial statements are an integral part of this statement.

## Lost Springs, Kansas

## Agency Funds

## Statement of Cash Receipts and Cash Disbursements - Statutory Basis

For the Fiscal Year Ended June 30, 2012

Student Organization Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Band Academic Club	\$ 664.90	\$ 7,988.64	\$ 5,825.80	\$ 2,827.74
Centre Perk	-	960.15	-	960.15
Cheerleaders	2,230.82	308.28	246.38	2,292.72
Class of 2012	2,456.86	3.86	289.40	2,171.32
Class of 2013	2,457.98	3,919.57	5,578.17	799.38
Class of 2014	1,932.72	4,630.36	2,459.73	4,103.35
Class of 2015	-	1,656.80	104.19	1,552.61
Class of 2017	250.00	-	-	250.00
Class of 2018	-	72.36	-	72.36
Ecology	191.07	-	-	191.07
Forensics	99.98	1,303.39	1,249.09	154.28
Future Business Leaders of America	1,092.99	8,073.70	7,778.15	1,388.54
Future Farmers of America	12,958.75	45,730.62	41,188.04	17,501.33
National Honor Society	55.11	37.24	-	92.35
Scholars Bowl Academic Club	131.73	395.41	316.00	211.14
Student Council	1,154.09	5,747.19	6,064.74	836.54
Student Organization Concessions	659.60	16,014.72	16,674.32	-
Vocal Academic Club	110.64	-	38.04	72.60
	26,447.24	96,842.29	87,812.05	35,477.48
High School				
Sales Tax Fund	948.58	5,678.61	5,786.14	841.05
Totals	\$ 27,395.82	\$ 102,520.90	\$ 93,598.19	\$ 36,318.53

The notes to the financial statements are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 397

Lost Springs, Kansas

District Activity Funds

Statement 5

Statement of Cash Receipts, Expenditures and Unencumbered Cash - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Athletics	\$ 4,990.99	\$ 22,605.19	\$ 23,420.68	\$ 4,175.50	\$ -	\$ 4,175.50
Drama	936.28	549.15	728.28	757.15	-	757.15
Subtotal Gate Receipts	<u>5,927.27</u>	<u>23,154.34</u>	<u>24,148.96</u>	<u>4,932.65</u>	<u>-</u>	<u>4,932.65</u>
School Projects						
Yearbook	1,237.55	6,711.05	7,313.80	634.80	-	634.80
General Projects	4,926.36	3,349.33	2,193.69	6,082.00	-	6,082.00
Student Planner	5,477.67	-	2,098.73	3,378.94	-	3,378.94
Subtotal School Projects	<u>11,641.58</u>	<u>10,060.38</u>	<u>11,606.22</u>	<u>10,095.74</u>	<u>-</u>	<u>10,095.74</u>
Total District Activity Funds	<u>\$ 17,568.85</u>	<u>\$ 33,214.72</u>	<u>\$ 35,755.18</u>	<u>\$ 15,028.39</u>	<u>\$ -</u>	<u>\$ 15,028.39</u>

UNIFIED SCHOOL DISTRICT NO. 397

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

Note 1 Reporting Entity

Unified School District No. 397 is a municipal corporation governed by a citizen elected seven-member Board of Education.

Note 2 Basis of Accounting

*Statutory Basis of Accounting.* The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

*Departure from Accounting Principles Generally Accepted in the United States of America.* The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 397 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

UNIFIED SCHOOL DISTRICT NO. 397

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 3 Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but a least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The General Fund and Virtual Education Fund's budgets were amended for this fiscal year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Student Material Fund	Title II-D Fund	Contingency Reserve Fund
Title I Fund	Title II-D ARRA Fund	District Activity Funds
Title I ARRA Fund	Title IV-A Fund	
Title II-A Fund	Federal Reap Grant Fund	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

UNIFIED SCHOOL DISTRICT NO. 397

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 4 Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Government has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Government has not designated a "peak period."

*Deposits.* At June 30, 2012, the Government's carrying amount of deposits was \$1,673,570.05 and the bank balance was \$2,022,916.33. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$612,506.75 was covered by federal depository insurance, and the remaining \$1,410,409.58 was collateralized with securities held by the pledging financial institutions agents in the Government's name.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 397

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 5 Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 326,061.92
General Fund	Vocational Education Fund	K.S.A. 72-6428	137,830.16
General Fund	At-Risk K-12	K.S.A. 72-6428	169,376.18
General Fund	Virtual Education Fund	K.S.A. 72-6428	198,482.23
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	35,500.00
Supplemental General Fund	Virtual Education Fund	K.S.A. 72-6433	66,829.72
Supplemental General Fund	Inservice Fund	K.S.A. 72-6433	30,000.00
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	145,000.00

Note 6 Defined Benefit Pension Plan

*Plan Description.* The Government contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. Seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary or 6% if hired on or after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.77% of covered payroll for the period July 1, 2011 to June 30, 2012. These contributions are established by KPERS and are periodically revised. For more information please see the KPERS website at [www.kpers.org](http://www.kpers.org).

The State of Kansas' contributions to KPERS for all school municipalities for the years ending June 30, 2012, 2011, and 2010 were \$314,466,992.90, \$188,864,352 received as of June 30, 2011 (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), and \$140,318,394 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), respectively, equal to the statutory required contributions each year.

Note 7 Compensated Absences

The Government provides compensation for absences. For an in depth understanding, the policy in its entirety should be reviewed.

UNIFIED SCHOOL DISTRICT NO. 397

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 8 Other Post Employment Benefits

As Provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Note 9 Subsequent Events

The Government's management has evaluated events and transactions occurring after July 1, 2011 through September 24, 2012. The aforementioned date represents the date the financial statements were available to be issued.

Note 10 Compliance With Statutes

K.S.A. 10-1113 requires that each fund comply with the cash-basis laws of the State of Kansas. No commitments or indebtedness should be incurred unless there is available cash in the fund. K.S.A. 10-116A exempts expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of state aid.

The General and Supplemental General Funds expenditures exceeded the fund balance due to the final June state aid payment for the fiscal year ended June 30, 2012 being disbursed by the State of Kansas in July 2012. The June state aid payment received in July 2012 was \$120,336.00 for the General Fund and \$8,280.00 for the Supplemental General Fund.

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following two pages show the revenue as required by these Statutes.



UNIFIED SCHOOL DISTRICT NO. 397  
Lost Springs, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Compliance with Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	General Fund		Current Year	
	Prior Year Statutory Transactions	Statutory Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem	\$ 351,075.75	\$ 355,680.87	\$ 340,160.00	\$ 15,520.87
Delinquent	3,991.28	3,339.20	4,850.00	(1,510.80)
Other Taxes	1,047.24	1,889.53	-	1,889.53
State Aid - General	1,589,504.00	1,845,197.00	1,986,312.00	(141,115.00)
State Aid - Mineral Production Tax	-	1,014.14	-	1,014.14
State Aid - Special Education Services	292,718.00	343,686.00	374,780.00	(31,094.00)
Federal Aid - General ARRA Stabilization	40,446.00	-	-	-
Federal Aid - Ed Jobs Fund	-	1,071.00	-	1,071.00
Other Sources	74,267.34	-	-	-
Total Cash Receipts	<u>2,353,049.61</u>	<u>2,551,877.74</u>	<u>\$ 2,706,102.00</u>	<u>\$ (154,224.26)</u>
Expenditures				
Instruction	866,092.75	806,231.00	\$ 867,902.00	\$ (61,671.00)
Student Support Services	57,142.09	68,258.58	65,100.00	3,158.58
Instructional Support Staff	60,384.30	53,164.47	67,650.00	(14,485.53)
General Administration	123,021.60	132,318.85	128,900.00	3,418.85
School Administration	123,965.94	128,643.98	128,350.00	293.98
Operations and Maintenance	236,987.42	301,181.39	214,475.00	86,706.39
Transportation Services	167,039.88	177,323.18	175,225.00	2,098.18
Other Supplemental Services	52,435.23	53,005.59	51,350.00	1,655.59
Operating Transfers	665,980.13	831,750.49	1,007,150.00	(175,399.51)
Adjustment to Comply with Legal Max	-	-	(156,114.00)	156,114.00
Adjustment for Qualifying Budget Credits	-	-	1,889.53	(1,889.53)
Total Expenditures	<u>2,353,049.34</u>	<u>2,551,877.53</u>	<u>\$ 2,551,877.53</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	0.27	0.21		
Unencumbered Cash, Beginning	<u>-</u>	<u>0.27</u>		
Unencumbered Cash, Ending	<u>\$ 0.27</u>	<u>\$ 0.48</u>		

UNIFIED SCHOOL DISTRICT NO. 397  
Lost Springs, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Compliance with Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Supplemental General Fund			
	Prior Year	Current Year		
	Statutory Transactions	Statutory Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem	\$ 332,571.40	\$ 367,133.44	\$ 367,122.00	\$ 11.44
Delinquent	5,234.44	3,904.84	4,618.00	(713.16)
Motor Vehicle	30,408.68	9,285.00	30,330.00	(21,045.00)
Recreational Vehicle	444.62	467.09	379.00	88.09
State Aid	109,207.00	141,080.00	136,000.00	5,080.00
Total Cash Receipts	<u>477,866.14</u>	<u>521,870.37</u>	<u>\$ 538,449.00</u>	<u>\$ (16,578.63)</u>
Expenditures				
Instruction	80,048.08	79,465.99	\$ 129,500.00	\$ (50,034.01)
Instructional Support Staff	7,618.30	17,062.71	-	17,062.71
General Administration	297.83	1,363.42	-	1,363.42
School Administration	4,497.89	5,443.84	-	5,443.84
Operations and Maintenance	81,795.81	64,994.73	123,000.00	(58,005.27)
Transportation Services	-	75,179.00	-	75,179.00
Community Service Operations	1,053.10	1,160.59	3,000.00	(1,839.41)
Operating Transfers	283,438.99	277,329.72	266,500.00	10,829.72
Total Expenditures	<u>458,750.00</u>	<u>522,000.00</u>	<u>\$ 522,000.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	19,116.14	(129.63)		
Unencumbered Cash, Beginning	<u>4,094.96</u>	<u>23,211.10</u>		
Unencumbered Cash, Ending	<u>\$ 23,211.10</u>	<u>\$ 23,081.47</u>		

UNIFIED SCHOOL DISTRICT NO. 397  
Lost Springs, Kansas  
NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 11 - Long-Term Debt

Changes in long-term liabilities for the municipality for the fiscal year ended June 30, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds: Series 2011 - Refunding	2.73% Avg	4/1/2011	545,000.00	9/1/2018	\$ 545,000.00	\$ -	\$ 60,000.00	\$ -	\$ 485,000.00	\$ 10,963.54
Compensated Absences	N/A	N/A	N/A	N/A	216,438.75	-	-	(30,366.55)	186,072.20	-
					<u>\$ 761,438.75</u>	<u>\$ -</u>	<u>\$ 60,000.00</u>	<u>\$ (30,366.55)</u>	<u>\$ 671,072.20</u>	<u>\$ 10,963.54</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2013	2014	2015	2016	2017	2018-2021	Total
Principal Series 2011 GOB	65,000.00	65,000.00	70,000.00	65,000.00	70,000.00	150,000.00	485,000.00
Interest Series 2011 GOB	<u>11,281.25</u>	<u>10,387.50</u>	<u>9,200.00</u>	<u>7,687.50</u>	<u>5,912.50</u>	<u>5,100.00</u>	<u>49,568.75</u>
Total Principal and Interest	<u>\$ 76,281.25</u>	<u>\$ 75,387.50</u>	<u>\$ 79,200.00</u>	<u>\$ 72,687.50</u>	<u>\$ 75,912.50</u>	<u>\$ 155,100.00</u>	<u>\$ 534,568.75</u>